

**Price Outlook:**

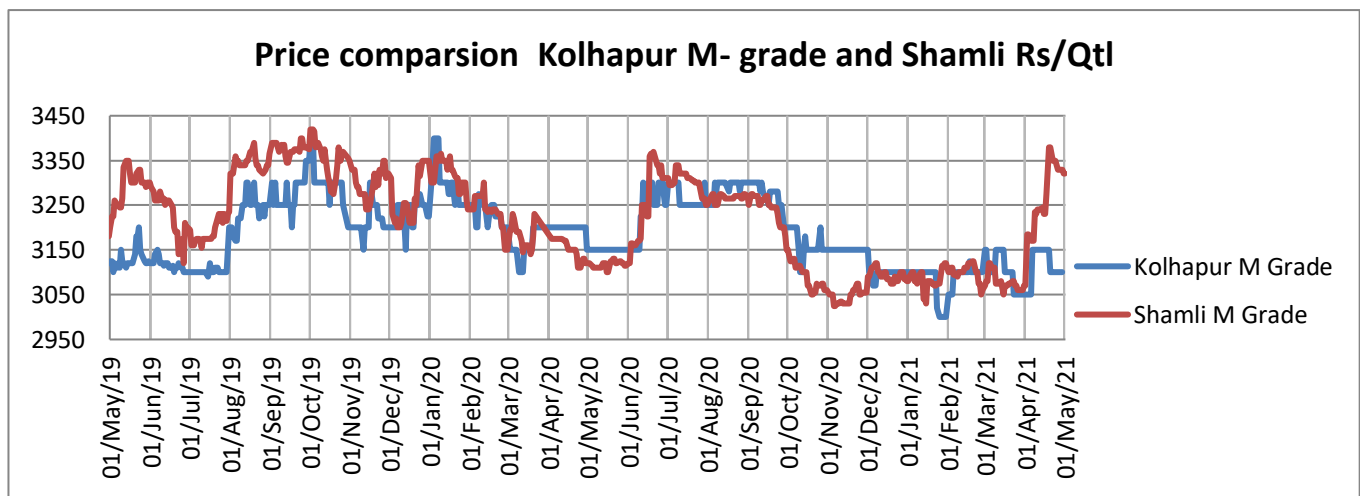
The Department of Food & Public Distribution has allocated 22 lakh MT monthly sugar sales quota for May 2021. Sugar cane crushing season is in its final phase in most of the states across the country. Also, in the current corona virus situation and increasing demand of medical oxygen, the Osmanabad sugar mill has begun the generation of oxygen from its ethanol plant and it is expected that in 10 days first load of 10 metric tonnes oxygen will be dispatched from the plant. The average sugar prices increased in Khatauli market at Rs.3405/q from Rs.3380/q previous week. The prices in Maharashtra also stood slightly firm at Rs.3100/q.

**Price Projection for the Next week**

As per the Agriwatch estimates, spot sugar prices (M grade) in benchmark Kolhapur market are likely to remain steady and in range next week between Rs.3100 -3150 per quintal for next week.

**Domestic Sugar Market Summary**

Average prices for sugar 'M' grade in key Kolhapur market were range bound at Rs.3100 per quintal, while spot sugar prices for the same grade in Shamli district stood at Rs.3332 per quintal during the week.

**Domestic Market Highlights****Recent Updates:**

**Sugar mills in Maharashtra have produced 1054.30 lakh quintals sugar in the current sugar season.** Sugar mills have produced 1054.30 lakh quintals of sugar by crushing 1005.47 lakh tonne of sugarcane, which is the highest ever in the history of Maharashtra State, surpassing about 954 lakh tonnes cane crushed in the 2017-18 sugar season. Total 95 private and 95 cooperative sugar mills participated in the crushing operations this season and about 28 sugar mills are still participating in cane crushing operations. Around 53 sugar mills had started operating in the drought-prone region including Aurangabad, Nanded, Amravati and Nagpur and have produced 197 lakh quintal of sugar which is 19% of the total production.

### Previous Updates

- **Government has fixed 22 lakh MT as the monthly sugar sales quota for May 2021:** The Department of Food & Public Distribution has allocated 22 lakh MT monthly sugar sales quota for May 2021 which is 5 lakh MT higher than that of May 2020. In the previous month, the government had allocated 22 lakh MT monthly sugar sales quotas for April 2021 to 548 mills. According to the market experts, the market may witness pressure due to the surge in Covid-19 cases that has led to lockdown restrictions in various states. Millers are likely to face selling pressure amidst the ongoing summer season.
- **Sugar mill based ethanol plant in Maharashtra is in the process to produce oxygen.** With the rising coronavirus cases all across the country sugar mills from Maharashtra have started focusing on the production of oxygen. The Osmanabad sugar mill has begun the generation of oxygen from its ethanol plant and it is expected that in 10 days first load of 10 metric tonnes oxygen will be dispatched from the plant.
- **Sugar production in Pune has reached at 251 lakh quintals.** As the sugarcane crushing season is in the final phase, all sugar mills in Solapur and Kolhapur region have ended their operations around 167 sugar mills in the state have closed their cane crushing operations till 28<sup>th</sup> April'21. In the Pune division total 31 sugar mills participated in the ongoing sugar season and around 27 mills have closed their operations, the mills from the division have produced 251 lakh quintal sugar by crushing 229.34 lakh tonne sugarcane with a recovery rate of 10.94 per cent.
- **Uttar Pradesh sugar mills have cleared 100 percent payment of the sugarcane farmers for the last crushing season.** Sugar mills have paid around Rs. 35,899 crore to farmers of the previous season 2019-20 and about 61 percent of the cane price of the current crushing season 2020-21. Although the cane crushing season is about to end in Uttar Pradesh and around 50 sugar mills are currently operating.
- **Sugar mills from Pune division have produced 249.43 lakh quintals of sugar till 22<sup>nd</sup> April'21.** The sugar cane crushing season is in the final phase total around 156 mills have closed operation so far in the current season. In Pune division, 31 mills had participated in the cane crushing operation and out of these 25 mills have stopped operations. These sugar mills have produced 249.43 lakh quintals of sugar by crushing 228.04 lakh tonnes sugarcane with a recovery rate of around 11 percent.

### **Technical Analysis - Sugar (M grade) Spot Market at Kolhapur market**

- The sugar spot prices at benchmark Kolhapur market remained Lower during last week and ended at Rs.3100/q.
- Next resistance and support level for the next week is expected at Rs.3200 and Rs.3150 per quintal respectively.

- RSI is in the neutral region.



#### Technical Analysis - ChakuSukha-gur(fresh) at Spot (Muzaffarnagar)market.

##### Gur Market Scenario

- There was a increase in arrivals and it stood around 14000 last week of Chaku variety of gur in key Muzaffarnagar market.
- The average price during the week was at Rs. 3205/q and the prices in the last year were lower at Rs. 2826/q.
- RSI stood in the neutral region.



### International Market Highlights

#### Recent Updates:

**Sugar output has fallen in Brazil.** Brazil has witnessed 35 percent lower sugar output in April'2021 compared with the previous year as lower number of mills has started crushing operation in the current season. Around 141 mills were operating in first half of April against 180 mills during last year. The center-south region has recorded an output of 624,000 tonnes in the first half of April as against 971,000 tonnes in a similar period last year. During this period 15.6 million tonnes of cane was crushed which is 30% less than in 2020 sugar season. Ethanol production has also fallen 25 percent to 731 million litres during the same period.

#### Previous Updates

- **China is likely to increase sugar imports during 2021-30 period as the consumption is likely to reach 16.44 million tonnes in 2030.** The total sugar output of the country is likely to reach 11.35 million tonnes by 2030 due to the increase in the area under sugarcane plantation. China is likely to increase sugar importation in the next few years to meet the domestic demand. The sugar imports are likely to grow at an average annual rate of 5.8% to reach 5.52 million tonnes in 2030.
- **Sugar output has decreased in Bangladesh.** According to the Bangladesh Food and Industries Corporation, Bangladesh sugar production has decreased this season and is at 48,055 tonnes, the sugar recovery percentage has also reduced to about 5.49 percent. The sugar production has mainly fallen because of the closing of state owned sugar mills in Bangladesh and also delayed cane harvesting in this season.

- **Bangladesh ensures availability of Sugar during Ramzan:** Bangladesh Sugar and Food Industries Corporation (BSFIC) has ensured the availability of around 44,000 tonnes of sugar in the stock and it will be supplied to the markets through dealers. According to BSFIC, the annual need of sugar for Bangladesh is around 18 lakh tonnes including 3 lakh tonnes sugar consumed during Ramzan. BSFIC provides only 50,000 tonnes of sugar per year and private sector supplies the remaining 17.5 lakh tonnes of sugar. Loose sugar will be supplied at Bangladeshi taka (Tk) 63 per kg and packed sugar is sold around Tk 68 per kg, whereas Sugar in retail markets will not be sold around Tk 75.
- **Pakistan cabinet has rejected import of sugar from India.** The Pakistan Cabinet has overturned the decision of the economic coordination committee (ECC) to allow the import of sugar from India. Earlier, the ECC had recommended the cabinet to revive the trade that was suspended from the past two years.

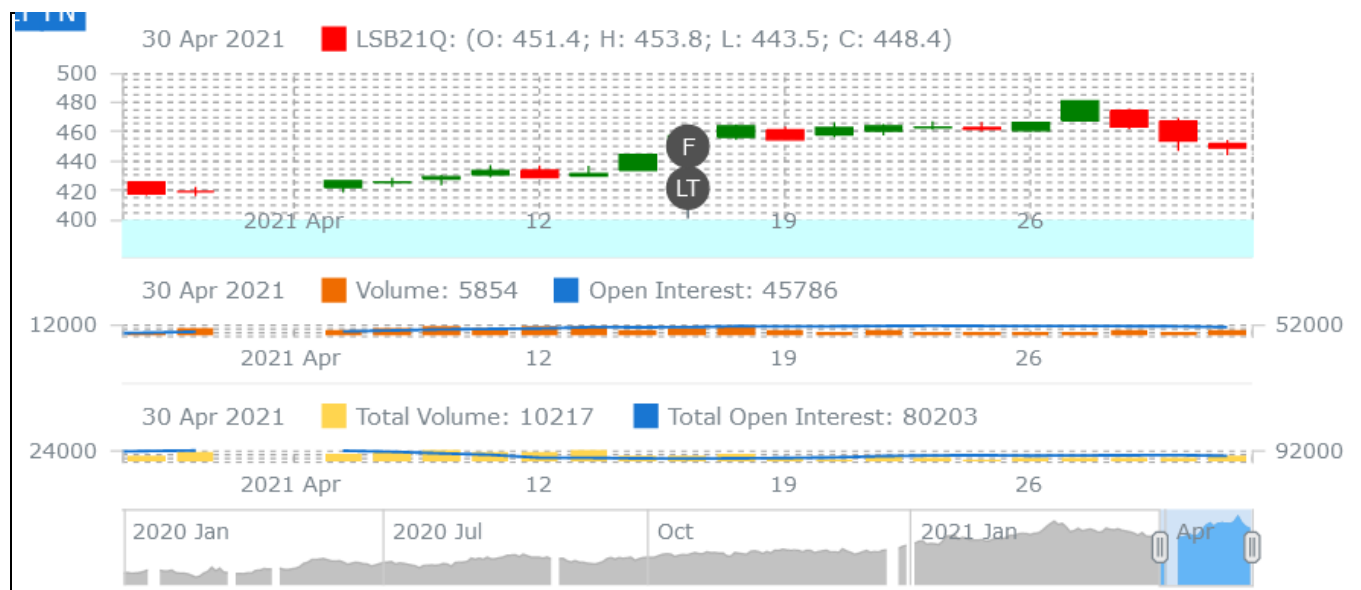
### International Sugar Futures Price Projection

#### LIFFE (White Sugar Exchange) Future Market Sugar Scenario (May'21 Contract)

##### Technical Commentary

- LIFFE future market remained steady to weak during the week.
- Total volume increased & open interest increased over a week.
- Strategy: Buy at level 453.8, T1 444.5

International Sugar Futures Price Projection			
	Contract Month	Present Quote	Expected Price level for next week
LIFFE Sugar (US \$/MT)	Aug'21	453.80	452-460

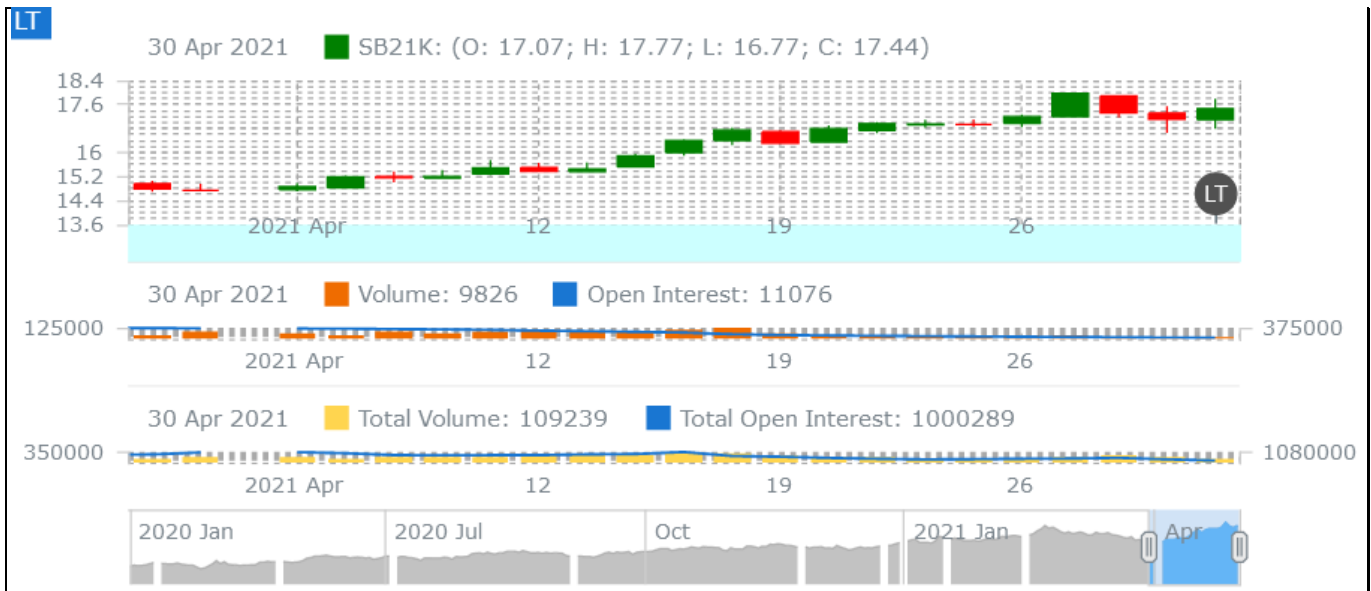


**ICE (Raw Sugar Exchange) Future Market Scenario (May'21 Contract)****Technical Commentary:**

- ICE raw sugar futures remained steady to weak during the week.
- Both total volume increased & open interest decreased in a week.
- Strategy: Buy at rate 17.78 Targeting 16.76.

**International Sugar Futures Price Projection**

	Contract Month	Present Quote	Expected Price level for next week
ICE Sugar #11 (US Cent/lb)	May'21	17.77	17.22 – 17.99

**Spot Sugar Prices Scenario (Weekly) (Average)**

Commodity	Centre	Variety	Average Prices (Rs/Qtl)		Change
			22nd Apr'21 to 28th Apr'21	15th Apr'21 to 21st Apr'21	
Delhi	Delhi	M-Grade	3397	3395	2
	Delhi	S-Grade	3377	3375	2
Uttar Pradesh	Khatauli	M-Grade	3405	3380	25
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	NA	NA	-
	Dhampur	S-Grade Ex-Mill	NA	NA	-
	Dhampur	L-Grade Ex-Mill	NA	NA	-
Maharashtra	Mumbai	M-Grade	3350	3363	-13
	Mumbai	S-Grade	3244	3264	-20

	Nagpur	M-Grade	3233	3275	-42
	Nagpur	S-Grade	3183	3213	-30
	Kolhapur	M-Grade	3100	3150	-50
	Kolhapur	S-Grade	3058	3088	-30
Assam	Guhawati	S-Grade	3318	3348	-30
Meghalaya	Shillong	S-Grade	3378	3408	-30
Andhra Pradesh	Vijayawada	M-Grade (With Duty)	3660	3624	36
	Vijayawada	S-Grade (With Duty)	3620	3596	24
West Bengal	Kolkata	M-Grade	3500	3500	Unch
Tamil Nadu	Chennai	S-Grade (With GST)	3550	3550	Unch
	Dindigul	M-Grade (DCA)	3540	3540	Unch
	Coimbatore	M-Grade (DCA)	3540	3540	Unch
Chattisgarh	Ambikapur	M-Grade (Without Duty)	NA	NA	-

Sugar Prices are in INR/Quintal. (1 Quintal=100 kg)

\*DCA: Department of consumer affairs

## Spot Jaggery(Gur) Prices Scenario (Weekly) (Average)

Commodity			Prices (Rs/Qtl)		Change
			22nd Apr'21 to 28th Apr'21	15th Apr'21 to 21st Apr'21	
Jaggery(Gur)	Centre	Variety			
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	3205	3025	180
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	14000	11000	3000
	Muzaffarnagar	Khurpa (Fresh)	2858	2575	283
	Muzaffarnagar	Laddoo (Fresh)	3181	3096	85
	Muzaffarnagar	Rascut (Fresh)	2570	2410	160
	Hapur	Chaurasa	2913	2744	169
	Hapur	Balti	2863	2688	175
Andhra Pradesh	Chittur	Gold	NA	NA	-
		White	NA	NA	-
		Black	NA	NA	-
Maharashtra	Latur	Lal Variety	NA	NA	-
Karnataka	Bangalore	Mudde (Average)	4517	4600	-83
	Belgaum	Mudde (Average)	NA	NA	-
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur	Achhu	NA	NA	-
	Gulbarga	Other (Average)	NA	NA	-
	Mahalingapura	Penti (Average)	3365	3244	122
	Mandya	Achhu (Medium)	4090	3868	222
	Mandya	Kurikatu (Medium)	3410	3460	-50
	Mandya	Other (Medium)	3816	3685	131
	Mandya	Yellow (Medium)	3600	3500	100

Shimoga

Achhu (Average)

3450

3450

Unch

## Spot Sugar Prices Scenario (Weekly)

Commodity	Centre	Variety	Today	Week Ago	Month Ago	Year Ago
Sugar			01-May-21	24-Apr-21	02-Apr-21	01-May-20
Delhi	Delhi	M-Grade	3320	3380	3170	3100
	Delhi	S-Grade	3300	3360	3150	3080
Uttar Pradesh	Khatauli	M-Grade	3380	Closed	3325	3155
	Ramala	M-Grade	NA	Closed	3150	3110
	Dhampur	M-Grade Ex-Mill	NA	0	0	3130
	Dhampur	S-Grade Ex-Mill	NA	0	0	3110
	Dhampur	L-Grade Ex-Mill	NA	0	0	3180
Maharashtra	Mumbai	M-Grade	Closed	Closed	3312	3510
	Mumbai	S-Grade	Closed	Closed	3206	3370
	Nagpur	M-Grade	3225	3225	3175	3325
	Nagpur	S-Grade	3175	3175	3125	3225
	Kolhapur	M-Grade	3100	3100	3050	3200
	Kolhapur	S-Grade	3050	3050	3000	3100
Assam	Guhawati	S-Grade	3360	3360	3309	3410
Meghalaya	Shillong	S-Grade	3370	3370	3320	3420
Andhra Pradesh	Vijayawada	M-Grade (With Duty)	3660	3660	3600	3740
	Vijayawada	S-Grade (With Duty)	3620	3620	3580	3680
West Bengal	Kolkata	M-Grade	3500	3500	3520	3750
Tamil Nadu	Chennai	S-Grade	3600	3550	3450	Closed
	Dindigul	M-Grade (DCA)	3540	3540	3540	4250
	Coimbatore	M-Grade (DCA)	3540	3540	3540	4150
Chattisgarh	Ambikapur	M-Grade (Without Duty)	NA	0	0	3700

Sugar Prices are in INR/Quintal. (1 Quintal=100 kg)

\*DCA: Department of consumer affairs

## Spot Jaggery(Gur) Prices Scenario (Weekly)

Commodity	Centre	Variety	Today	Week Ago	Month Ago	Year Ago
Jaggery(Gur)			01-May-21	24-Apr-21	02-Apr-21	01-May-20
Uttar Pradesh	Muzaffarnagar	Chaku Sukha	Closed	Closed	2650	2875
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	Closed	Closed	5000	5000
	Muzaffarnagar	Khurpa	Closed	Closed	2400	2838
	Muzaffarnagar	Laddoo	Closed	Closed	2750	2975
	Muzaffarnagar	Rascut	Closed	Closed	2188	2550
	Hapur	Chaurasa	Closed	Closed	2588	2863



	Hapur	Balti	Closed	Closed	2550	2750
Andhra Pradesh	Chittur	Gold	NR	0	0	4600
		White	NR	0	0	0
		Black	NR	0	0	4000
Maharashtra	Latur	Lal Variety	NR	0	0	0
Karnataka	Bangalore	Mudde (Average)	NA	NA	NA	0
	Belgaum	Mudde (Average)	NA	0	0	0
	Belthangadi	Yellow (Average)	NA	0	0	0
	Bijapur	Achhu	NA	0	0	0
	Gulbarga	Other (Average)	NA	0	0	0
	Mahalingapura	Penti (Average)	NA	0	0	0
	Mandya	Achhu (Medium)	NA	NA	NA	0
	Mandya	Kurikatu (Medium)	NA	NA	NA	0
	Mandya	Other (Medium)	NA	NA	NA	0
	Mandya	Yellow (Medium)	NA	NA	NA	0
	Shimoga	Achhu (Average)	NA	NA	NA	0

## International Sugar Prices (Weekly Average)

	Contract Month	22nd Apr'21 to 28th Apr'21	15th Apr'21 to 21st Apr'21	Change
ICE Sugar #11 (US Cent/lb)	21-Mar	17.19	16.59	0.60
	21-May	17.02	15.56	1.46
	21-Jul	16.82	16.48	0.34
LIFFE Sugar (US \$/MT)	21-Mar	463.02	449.93	13.09
	21-May	455.04	446.18	8.86
	21-Aug	464.04	457.20	6.84

Source: MRCI

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